

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred House Bill No. 159 entitled “An act relating to community
4 and economic development and workforce revitalization” respectfully reports
5 that it has considered the same and recommends that the Senate propose to the
6 House that the bill be amended by striking out all after the enacting clause and
7 inserting in lieu thereof the following:

8 * * * Tourism and Marketing * * *

9 Sec. 1. TOURISM AND MARKETING; APPROPRIATION

10 (a) The tourism and hospitality sector has suffered widespread disruption
11 from the COVID-19 pandemic, with restaurant, lodging, entertainment,
12 specialty retail and related businesses, as well as cultural attractions, suffering
13 job losses and an uncertain ability to remain operational due to the travel
14 restrictions imposed and the revenue losses that have been experienced.

15 (b) When travel is safe again, Vermont will have a strategic opportunity
16 coming out of the pandemic to encourage visitation due our abundance of open
17 space, strong cultural and outdoor recreation assets, and careful management
18 of the virus.

19 (c) In fiscal year 2022, the amount of \$2,500,000.00 is appropriated from
20 the funds available to the State under the American Rescue Plan Act of 2021
21 Of the \$2,000,000 appropriated in Sec. G.302(a)(15) of H.439 to the

1 Department of Tourism and Marketing, the Department shall allocate funding
2 as follows:

3 (1) \$1,250,000.00 to promote Vermont's travel, recreation, culinary,
4 arts, culture, agritourism, and heritage experiences to attract visitors, and
5 stimulate visitor spending with local attractions and small businesses in rural
6 communities and throughout the State; and

7 (2) \$750,000.00 to develop a grant program to enable local, regional, or
8 statewide organizations to implement campaigns and initiatives that increase
9 consumer spending, support local businesses, and advance community
10 recovery efforts to support businesses in Vermont that have suffered economic
11 harm due to the COVID-19 public health emergency.

12 (d) The Department shall ensure that funds appropriated in this section
13 are distributed equitably to reach a broad audience, including underrepresented
14 communities and new and diverse communities of visitors.

15 (e) On or before February 15, 2022, the Department shall submit to the
16 Senate Committee on Housing, Economic Development and General Affairs
17 and the House Committee on Commerce and Economic Development a report
18 on the use and outcomes of funding allocated in this section.

19 * * * Technology-Based Economic Development * * *

20 Sec. 2. TECHNOLOGY-BASED ECONOMIC DEVELOPMENT

21 PROGRAM; APPROPRIATION

1 (a) In fiscal year 2022, the amount of \$1,000,000.00 is appropriated from
2 the amounts available to the State through the American Rescue Plan Act of
3 2021 to the University of Vermont. Of the \$800,000 appropriated in Sec.
4 G.302(a)(10) of H.439 to the Agency of Commerce and Community
5 Development for technology-related grants, the Agency shall allocate funds to
6 design and implement a technology-based economic development program that
7 promotes technology-based businesses and provides assistance to Vermont
8 businesses that have suffered economic harm due to the COVID-19 public
9 health emergency, consistent with the American Rescue Plan Act of 2021, and
10 consistent with the following:

11 (1) Small business innovation research; small business technical
12 transfer; technical assistance. A total of \$200,000.00 to provide technical
13 assistance to first-time applicants pursuing a federal SBIR or STTR grant.

14 (2) SBIR; STTR; Phase I and Phase II matching grants. A total of
15 \$400,000.00 to provide a 50 percent State matching grant, up to \$50,000.00, to
16 businesses that receive a federal SBIR/STTR Phase I or Phase II grant.

17 (3) Industry research partnership program. A total of \$200,000.00 to
18 provide a 100 percent matching grant to Vermont small businesses:

19 (A) to purchase services and technical assistance from universities
20 and research institutions, including research and development assistance,

1 technology assessments, product prototyping, lab validation, and overcoming
2 development hurdles; and

3 (B) to establish better relationships among Vermont businesses and
4 higher education researchers, speed time-to-market for new technologies, and
5 help keep Vermont companies relevant in the marketplace.

6 (4) University of Vermont Office of Engagement. A total of
7 \$200,000.00 to the Office of Engagement to administer the funds pursuant to
8 this subsection.

9 (b) In fiscal year 2022, the amount of \$2,000,000 is appropriated from the
10 amounts available to the State under the American Rescue Plan Act of 2021 Of
11 the \$1,000,000 appropriated in Sec. G.302(a)(9) of H.439 to the University of
12 Vermont to complete the startup of the Office of Engagement, the University
13 shall use funds for a two-year period to leverage the research services and data
14 science capabilities of the University to promote technology-based businesses
15 and to provide assistance to Vermont businesses that have suffered economic
16 harm due to the COVID-19 public health emergency, consistent with the
17 American Rescue Plan Act of 2021.

18 (c)(1) On or before January 15, 2022, the University of Vermont Agency of
19 Commerce and Community Development shall report to the General Assembly
20 concerning the implementation of subsection (a) of this section, including the
21 provision of grants and technical assistance; the number of businesses assisted;

1 how many SBIR/STTR phase I & II matching grants awarded; how many
2 businesses received the maximum grant; and how many matching grants and
3 the amounts awarded through the industry research partnership program; and
4 the nature and scope of assistance provided through the Office of Engagement.

5 (2) On or before January 15, 2022, the University of Vermont shall
6 report to the General Assembly concerning the implementation of subsection
7 (b) of this section concerning the nature and scope of assistance provided
8 through the Office of Engagement to leverage the research services and data
9 science capabilities of the University to promote technology-based businesses
10 and to provide assistance to Vermont businesses that have suffered economic
11 harm due to the COVID-19 public health emergency.

12 (d) The University of Vermont shall use the funds appropriated in this
13 section to promote technology based businesses and to provide assistance to
14 Vermont businesses that have suffered economic harm due to the COVID-19
15 public health emergency consistent with the American Rescue Plan Act of
16 2021.

17 * * * Postsecondary CTE System * * *

18 Sec. 3. 2019 Acts and Resolves No. 80, Sec. 6 is amended to read:

19 Sec. 6. POSTSECONDARY CAREER AND TECHNICAL EDUCATION
20 SYSTEM

21 (a) Findings; purpose.

1 (1) Findings. The General Assembly finds:

2 (A) Like many rural states, Vermont faces demographic realities that
3 have resulted in an historically low unemployment rate and created obstacles
4 for employers that seek to hire and retain enough fully trained employees.

5 (B) Notwithstanding this high employer demand, due to rapidly
6 changing technology and evolving business needs, potential employees may
7 lack the particular skills and training necessary to qualify for available jobs.

8 (C) In order to assist employers and employees in matching demand
9 to requisite skills, Vermont has a broad diversity of postsecondary workforce
10 education and training programs offered by multiple providers, including
11 programs administered or funded by State government, educational
12 institutions, and business-lead groups ~~such as the Vermont Talent Pipeline~~
13 ~~Management Project~~. The State should continue to work closely with these
14 providers to identify and meet the needs of employers and employees.

15 * * *

16 (b) Postsecondary CTE System.

17 (1) The Department of Labor, in collaboration with the Agency of
18 Education, the Vermont State Colleges, and the Vermont Adult Technical
19 Education Association, ~~and any~~ shall:

20 (A) ~~consultant the Department hires for that purpose, issue a request~~
21 for proposals and hire a consultant on or before September 1, 2021 2022; and

1 (B) shall ~~consider and~~ report to the General Assembly on the design,
2 implementation, and costs of an integrated postsecondary career and technical
3 education system that achieves the results specified in subdivision (a)(2) of this
4 section.

5 (2) In performing their work, the Department, stakeholders, and ~~any~~ the
6 consultant shall conduct a broad-based stakeholder engagement process to
7 solicit input from interested parties, and State agencies and departments shall
8 provide necessary information and assistance within their relative areas of
9 expertise.

10 (c) ~~Report~~ Reporting. The Department of Labor shall report to the House
11 Committee on Commerce and Economic Development and to the Senate
12 Committee on Economic Development, Housing and General Affairs
13 concerning the implementation of this section as follows:

14 (1) on or before April 15, 2022, a status update addressing the progress
15 on designing the request for proposals and the stakeholder engagement
16 process;

17 (2) On on or before January 15, ~~2020~~ 2022 2023, the Department of
18 Labor shall submit a preliminary report on the status of its work as of that date;
19 and

20 (3) on or before December 15, 2022 2023, a final report with any
21 recommendations for legislative action to the House Committee on Commerce

1 ~~and Economic Development and the Senate Committee on Economic~~
2 ~~Development, Housing and General Affairs.~~

3 (d) In performing its work to create an integrated postsecondary career and
4 technical education system, the Department shall recognize issues faced by
5 persons with historical barriers to employment or who are underrepresented in
6 the workforce, including persons who have faced discrimination based on race,
7 sex, sexual orientation, gender identity, age, refugee status, and national origin;
8 persons in recovery; persons with a history of incarceration; and persons with
9 disabilities.

10 Sec. 4. APPROPRIATION

11 The Department of Labor shall allocate not more than \$75,000.00 from the
12 amounts available in the Workforce Expansion Fund to implement Sec. 3 of
13 this act.

14 * * * Group Insurance; Northern Borders Regional Commission * * *

15 Sec. 5. 3 V.S.A. § 631 is amended to read:

16 § 631. GROUP INSURANCE FOR STATE EMPLOYEES; SALARY
17 DEDUCTIONS FOR INSURANCE, SAVINGS PLANS, AND
18 CREDIT UNIONS

19 (a)(1) The Secretary of Administration may contract on behalf of the State
20 with any insurance company or nonprofit association doing business in this
21 State to secure the benefits of franchise or group insurance. Beginning July 1,

1 1978, the terms of coverage under the policy shall be determined under section
2 904 of this title, but it may include:

3 (A) life, disability, health, and accident insurance and benefits for
4 any class or classes of State employees; and

5 (B) hospital, surgical, and medical benefits for any class or classes of
6 State employees or for those employees and any class or classes of their
7 dependents.

8 (2)(A)(i) As used in this section, the term “employees” includes any
9 class or classes of elected or appointed officials, State’s Attorneys, sheriffs,
10 employees of State’s Attorneys’ offices whose compensation is administered
11 through the State of Vermont payroll system, except contractual and temporary
12 employees, and deputy sheriffs paid by the State of Vermont pursuant to
13 24 V.S.A. § 290(b). The term “employees” shall not include members of the
14 General Assembly as such, any person rendering service on a retainer or fee
15 basis, members of boards or commissions, or persons other than employees of
16 the Vermont Historical Society, ~~the Vermont Film Corporation~~, the Vermont
17 State Employees’ Credit Union, Vermont State Employees’ Association, ~~and~~
18 the Vermont Council on the Arts, and the Northern Border Regional
19 Commission, whose compensation for service is not paid from the State
20 Treasury, or any elected or appointed official unless the official is actively

1 engaged in and devoting substantially full-time to the conduct of the business
2 of his or her public office.

3 (ii) For purposes of group hospital-surgical-medical expense
4 insurance, the term “employees” shall include employees as defined in
5 subdivision (i) of this subdivision (2)(A) and former employees as defined in
6 this subdivision who are retired and are receiving a retirement allowance from
7 the Vermont State Retirement System or the State Teachers’ Retirement
8 System of Vermont and, for the purposes of group life insurance only, are
9 retired on or after July 1, 1961, and have completed 20 creditable years of
10 service with the State before their retirement dates and are insured for group
11 life insurance on their retirement dates.

12 (iii) For purposes of group hospital-surgical-medical expense
13 insurance only, the term “employees” shall include employees as defined in
14 subdivision (i) of this subdivision (2)(A) and employees who are receiving a
15 retirement allowance based upon their employment with the Vermont State
16 Employees’ Association, the Vermont State Employees’ Credit Union, the
17 Vermont Council on the Arts, as long as they are covered as active employees
18 on their retirement date, and:

19 (I) they have at least 20 years of service with that employer; or

20 (II) have attained 62 years of age, and have at least 15 years of
21 service with that employer.

1 place; strengthen community pride and identity; and attract businesses, jobs,
2 and talent.

3 (4) Placemaking projects intentionally leverage the power of the arts and
4 cultural assets to strengthen the economic and social fabric of communities and
5 allow for growth and transformation that builds upon local and regional
6 character, culture, and quality of place.

7 (5) Research shows that community-driven placemaking projects
8 increase economic and civic vitality and create spaces where commerce
9 thrives, social connections flourish, civic participation increases, and residents
10 are empowered to take ownership of their future to build healthier and
11 equitable local economies.

12 (b) It is the intent of the General Assembly to:

13 (1) enhance the livability and unique sense of place in Vermont’s
14 downtowns and villages by providing funding, training, and resources to
15 support investments in public spaces and local placemaking projects that build
16 prosperous, equitable, healthy, and resilient communities;

17 (2) promote healthy, safe, equitable, and vibrant downtowns, villages,
18 and neighborhoods for people of all ages, abilities, backgrounds, and incomes
19 by increasing public space and placemaking investments in local communities;

20 (3) strategically coordinate and simplify the funding process from
21 multiple community development funders, streamline the grantmaking and

1 distribution process, democratize community access to grant funds, and
2 provide communities a nimble, flexible source to quickly fund and launch
3 community-driven placemaking projects to make positive and enduring change
4 locally; and

5 (4) help local leaders identify, develop, and implement placemaking
6 projects by creating the Better Places Program to advance local recovery
7 efforts, rebuild local economies, boost local capacity, and reconnect
8 Vermonters to one another—critical elements that help communities recover
9 quickly and build prosperous and resilient communities in the future.

10 Sec. 7. 24 V.S.A. § 2799 is added to read:

11 § 2799. BETTER PLACES PROGRAM; CROWD GRANTING

12 (a)(1) There is created the Better Places Program within the Department of
13 Housing and Community Development, and the Better Places Fund, which the
14 Department shall manage pursuant to 32 V.S.A. chapter 7, subchapter 5.

15 (2) The purpose of the Program is to utilize crowdfunding to spark
16 community revitalization through collaborative grantmaking for projects that
17 create, activate, or revitalize public spaces.

18 (3) The Department may administer the Program in coordination with
19 and support from other State agencies and nonprofit and philanthropic partners.

20 (b) The Fund is composed of the following:

21 (1) State or federal funds appropriated by the General Assembly;

1 (2) gifts, grants, or other contributions to the Fund; and

2 (3) any interest earned by the Fund.

3 (c) As used in this section, “public space” means an area or place that is
4 open and accessible to all people with no charge for admission and includes
5 village greens, squares, parks, community centers, town halls, libraries, and
6 other publicly accessible buildings and connecting spaces such as sidewalks,
7 streets, alleys, and trails.

8 (d)(1) The Department of Housing and Community Development shall
9 establish an application process, eligibility criteria, and criteria for prioritizing
10 assistance for awarding grants through the Program.

11 (2) The Department may award a grant to a municipality, a nonprofit
12 organization, or a community group with a fiscal sponsor for a project that is
13 located in or serves a designated downtown, village center, new town center, or
14 neighborhood development area that will create a new public space or
15 revitalize or activate an existing public space.

16 (3) The Department may award a grant to not more than one project per
17 calendar year within a municipality.

18 (4) The minimum amount of a grant award is \$5,000.00 and the
19 maximum amount of a grant award is ~~\$50,000.00~~ \$30,000.

1 (5) The Department shall develop matching grant eligibility
2 requirements to ensure a broad base of community and financial support for
3 the project, subject to the following:

4 (A) A project shall include in-kind support and matching funds raised
5 through a crowdfunding approach that includes multiple donors.

6 (B) An applicant may not donate to its own crowdfunding campaign.

7 (C) A donor may not contribute more than \$10,000.00 or 35 percent
8 of the campaign goal, whichever is less.

9 (D) An applicant shall provide matching funds raised through
10 crowdfunding of not less than 25 percent and not more than 50 percent of the
11 grant award, provided that the Department may adjust the matching
12 requirements within this range if necessary due to demand and availability of
13 funds 33 percent of the grant award.

14 (e) The Department of Housing and Community Development, with the
15 assistance of a fiscal agent, shall distribute funds under this section in a manner
16 that provides funding for projects of various sizes in as many geographical
17 areas of the State as possible.

18 (f) The Department of Housing and Community Development may use up
19 to 15 percent of any appropriation to the Fund from the General Fund to assist
20 with crowdfunding, administration, training, and technological needs of the
21 Program.

1 (g) Beginning on January 15, 2022 and annually thereafter, the Department
2 of Housing and Community Development shall submit to the Senate
3 Committee on Economic Development, Housing and General Affairs and the
4 House Committee on Commerce and Economic Development an annual report
5 regarding the activities and progress of the Program. The report shall:

6 (1) summarize the Program activities in the preceding year and report on
7 the number of awarded grants and the total grant funds allocated;

8 (2) report on partner resources and contributions to the Program; and

9 (3) report on any measurable economic activity, which may include the
10 number of jobs created, the number of visitors, the approximate number of
11 square feet to be activated or redeveloped, and the number of volunteers
12 engaged in the project.

13 Sec. 7a. APPROPRIATION

14 In fiscal year 2022, the amount of \$5,000,000.00 is appropriated from the
15 funds available to the State under the American Rescue Plan Act of 2021. The
16 Agency of Commerce and Community Development shall transfer the amount
17 of \$1,000,000 appropriated to it in Sec. G.302(a)(11) for a Better Places grant
18 program to the Better Places Fund to implement the Better Places Program
19 created in Sec. 7 of this act.

20 Sec. 7b. BETTER PLACES PROGRAM; REPEAL; EFFECTIVE DATE

1 24 V.S.A. § 2799 (Better Places Program and Fund) is repealed on July 1,
2 2023.

3 * * * International Business Attraction and Investment Program * * *

4 Sec. 8. FINDINGS

5 (a) The General Assembly finds:

6 (1) Business investment by Canada-based businesses provides the
7 opportunity to generate increased employment, increase the range of job
8 opportunities for Vermonters, and increase the dynamism of our communities.

9 (2) From the past work of the Department of Economic Development,
10 we know that small- and mid-sized businesses in Quebec, Ontario, and other
11 provinces in the region have a natural inclination to explore Vermont as the
12 site for expansion in the U.S. market.

13 (3) Developing a program to attract businesses and investment from
14 Canada-based businesses and engaging the services of a foreign trade
15 representative to provide local recruitment support can allow the State and its
16 businesses to tap resources of institutions, enterprises, and people to a greater
17 degree and to develop lead generation services, expansion monitoring, in-
18 market representation, market intelligence, and the ability to engage and
19 nurture high-growth companies primed for expansion.

20 (4) It is the intent of the General Assembly to fund the services of a
21 foreign trade representative for two years in order to begin the work of a

1 cultivating relationships with Canada-based partners and developing prospects
2 for attracting business relocation and investment in Vermont.

3 Sec. 9. APPROPRIATION; REPORT

4 (a) In fiscal year 2022, the amount of The Agency of Commerce and
5 Community Development shall use the \$300,000.00 is appropriated to it from
6 the General Fund to the Agency of Commerce and Community Development
7 in Sec. G.302(b)(1) of H.439 to provide funding for up to two years to contract
8 with a foreign trade representative consistent with Sec. 14 of this act.

9 (b) On or before January 15, 2022, the Agency of Commerce and
10 Community Development shall report to the House Committee on Commerce
11 and Economic Development and the Senate Committee on Economic
12 Development, Housing and General Affairs concerning:

13 (1) the terms of the contract; and

14 (2) metrics to evaluate success of the contract and the representative.

15 (b) On or before January 15, 2023, the Agency of Commerce and
16 Community Development shall report to the House Committee on Commerce
17 and Economic Development and the Senate Committee on Economic
18 Development, Housing and General Affairs concerning:

19 (1) the type and number of business contacts and engagement;

20 (2) the type of businesses, jobs, and wages brought to the State; and

1 (3) recommendations concerning the continuation or expansion of the
2 program.

3 * * * Workforce Development and Education * * *

4 Sec. 10. WORKFORCE DEVELOPMENT AND EDUCATION

5 (a) Findings.

6 (1) Due to the COVID-19 public health emergency, the Vermont State
7 Colleges have experienced a significant decrease in applications, and the board
8 of directors has voted to freeze tuition for the 2021–2022 academic year both
9 to keep students’ costs low and to mitigate the economic impact of COVID-19
10 on enrollment.

11 (2) Deposit activity, a signal of anticipated enrollment for the fall 2021
12 semester, has declined between five and 20 percent at two of the four VSC
13 institutions, and FAFSA filing for Vermont is down seven percent year over
14 year.

15 (3) While the enrollment gap is narrowing from earlier in the fall, it is
16 still significantly wider than normal due to the complexities of how the
17 pandemic is affecting Vermont’s high schools and high school students, for
18 example, due to remote learning and the necessity for guidance counselors to
19 broaden the reach of their services to struggling students.

20 (4)(A) The federal Pell Grant eligibility for first-time, full-time Vermont
21 students is high, signifying that families are financially distressed.

1 (B) In the fall of 2019, the percentage of first-time, full-time students
2 who were Pell eligible were as follows: CCV (57 percent), CU (39 percent),
3 NVU (49 percent), and VTC (41 percent).

4 (C) These students, already economically disadvantaged, are
5 disproportionately impacted by the pandemic and related economic crisis.

6 (5) In addition to increasing the needs of Vermont’s secondary and
7 postsecondary students, the COVID-19 pandemic has also placed significant
8 burden on the Vermont workforce, which can benefit from expanded
9 opportunities available at the Vermont State Colleges.

10 (b) Purpose. In light of these findings, it is the intent of the General
11 Assembly to provide funding in the Big Bill to expand opportunities for
12 education at the Vermont State Colleges for Vermonters:

13 (A) who have been impacted by the COVID-19 pandemic through
14 layoffs, furloughs, or reduced hours or due to being employed in an industry
15 that has been severely affected; and

16 (B) who are pursuing education and training and require educational
17 assistance and other support due to economic harm and lost opportunities
18 arising from the COVID-19 public health emergency.

19 Sec. 11. MICROBUSINESS DEVELOPMENT PROGRAM; EMBRACE

20 (a) The General Assembly finds that the Microbusiness Development
21 Program has demonstrated the capability to help individuals lift themselves out

1 of poverty by providing the technical support and financial assistance
2 necessary to start and sustain entrepreneurial enterprises.

3 (b) ~~In~~ To continue the success of the Microbusiness Development Program,
4 in fiscal year 2022, the General Assembly has appropriated the following
5 amounts in H.439:

6 (1) the amount of \$200,000.00 in additional base funding is appropriated
7 from the General Fund to the Department for Children and Families, Office of
8 Economic Opportunity for pass-through grants to the Community Action
9 Agencies to provide funding for the regional Microbusiness Development
10 Programs pursuant to 3 V.S.A. § 3722; and

11 ~~(c) In fiscal year 2022,~~

12 (2) the amount of \$2,000,000.00 is appropriated \$1,500,000 from the
13 funds available to the State under the American Rescue Plan Act of 2021 to the
14 Department for Children and Families, Office of Economic Opportunity, to be
15 granted to the Community Action Agencies for the Statewide Community
16 Action Network’s Economic Micro Business Recovery Assistance for the
17 COVID-19 Epidemic (EMBRACE) to assist the most disadvantaged Vermont
18 microbusiness owners impacted by COVID-19 business closure orders with
19 access to grants and technical assistance and for new businesses started by
20 individuals who have been impacted by the COVID-19 pandemic through

1 layoffs, furloughs, reduced hours, or due to being employed in an industry that
2 has been severely affected.

3 Sec. 12. STATE BIPOC BUSINESS DEVELOPMENT

4 (a) Intent.

5 (1) Racial wealth disparities are a function of not only access to income
6 but also the ability to start and sustain a business, access land, and own
7 property.

8 (2) Vermont embraces its responsibility to course correct the historical
9 impact of economic exploitation and exclusion from opportunity due to race
10 and ethnicity for American descendants of slavery and the broader Black,
11 Indigenous, and Persons of Color community.

12 (3) In order to rectify this history of inequity, it is the intent of this
13 General Assembly to acknowledge and address wealth disparity and cultural
14 disempowerment by creating economic opportunity and cultural
15 empowerment, using new systems that empower Vermonters who have
16 historically suffered from discrimination and lacked equal access to public or
17 private economic benefits due to race, ethnicity, geography, language
18 preference, and immigrant or citizen status.

19 (b) Findings.

20 (1) The Vermont Partnership for Fairness and Diversity conducted a
21 survey of BIPOC businesses after the Emergency Recovery Grant programs

1 closed. The survey analysis included three core recommendations: form a
2 state BIPOC Commission, create a BIPOC business association, and improve
3 data collection and the State’s understanding of BIPOC business needs.

4 (2) The Committee sought information from over a dozen BIPOC
5 business and community and State leaders to learn what BIPOC businesses
6 need to be economically successful in Vermont. Core findings included:

7 (A) allow BIPOC businesses to lead and define how to strengthen
8 economic development for BIPOC-owned businesses and what organizational
9 structures would best support the Vermont BIPOC business community;

10 (B) offer more support to BIPOC businesses by assisting them in
11 procuring State contracts, securing capital investment and customer
12 cultivation, and finding technical support;

13 (C) improve language access and cultural competency practices
14 within State economic development programs and strengthen connections to
15 BIPOC businesses; and

16 (D) improve State data collection to better serve the variety of
17 identities represented within the BIPOC community.

18 (3)(A) The Secretary of State, in cooperation with the Agency of Digital
19 Services, is leading the development project for the creation of a business
20 portal to deliver a single point of entry for Vermont businesses to interact with
21 the State across multiple agencies and departments.

1 (B) When the portal becomes active, which is projected to occur in
2 2022, the Secretary of State will collect data on race, ethnicity, and gender for
3 individuals registering businesses.

4 (c) BIPOC business development project.

5 (1)(A) ~~In fiscal year 2022, the amount of \$100,000.00 is appropriated~~
6 ~~from the funds available to the State under the American Rescue Plan Act of~~
7 ~~2021~~ Of the \$150,000 appropriated to the Agency of Commerce and
8 Community Development in Sec. G.302(a)(13) to provide outreach and
9 technical assistance for BIPOC-owned businesses, the Agency shall ~~to provide~~
10 funding for a contractor of not more than \$100,000.00 one or more contractors
11 to convene BIPOC businesses, organizations, and community leaders; other
12 business organizations; and representatives from the Agency of Commerce and
13 Community Development and other State agencies and departments as
14 necessary, to create a set of recommendations on how to support BIPOC
15 business development, which may include the creation of a BIPOC business
16 network, the creation of minority business development center or authority, or
17 one or more other similar entities or organizations.

18 (B) Not more than five percent of the amount appropriated in this
19 section may be used for administrative purposes, including translation services.

1 (2) The Executive Director of Racial Equity and the Racial Equity
2 Advisory Panel, with the collaboration and support of the Agency of
3 Commerce and Community Development, shall:

4 (A) issue a request for proposals on or before August 15, 2021; and

5 (B) review and select a contractor on or before September 15, 2021;

6 (C) finalize hiring and ensure the contractor begins that work under
7 any contracts issued begins on or before October 15, 2021.

8 (3)(A) The request for proposals shall include the following
9 requirements for a qualified contractor:

10 (i) demonstrated experience working with BIPOC businesses or
11 populations, or both;

12 (ii) knowledge of the Vermont business industries and
13 concentrations of BIPOC-owned businesses;

14 (iii) proposal on how to convene stakeholders, provide
15 information, and conduct outreach that includes language access for limited
16 English-proficient individuals;

17 (iv) economic and business development expertise; and

18 (v) experience in organizational structures.

19 (B) In making their selection, the Panel, Executive Director, and
20 Agency shall give priority to a contractor with experience working with

1 BIPOC-owned businesses and knowledge of the Vermont business
2 community.

3 (C) The Agency shall cause the request for proposals to be translated
4 upon request of a potential applicant.

5 (4)(A) On or before February 15, 2022, the each contractor shall deliver
6 to the Panel, the Director, the Agency, and the legislative committees of
7 jurisdiction a preliminary report on financial resources and policy changes
8 needed to support BIPOC business development.

9 (B) On or before July 1, 2022, the contract each contractor shall
10 submit a final report summarizing the process and deliberations and a final set
11 of recommendations on what entities, organizations, or other measures will
12 best support BIPOC business development.

13 (d) Collection of data.

14 (1) The Secretary of State shall collect race, ethnicity, and gender data
15 for individuals registering businesses in the State of Vermont as part of its
16 business portal and for individuals seeking licensure, certification, or
17 registration through the Office of Professional Regulation.

18 (2) The Secretary shall provide data from the portal and from the Office
19 of Professional Regulation to the Secretary of Administration, which shall
20 make the data available to relevant agencies and departments within State
21 government to inform economic development policy priorities and strategies as

1 it relates to BIPOC-, women-, and gender non-binary-owned businesses and
2 their needs as businesses and employers.

3 (3) Once completed, the Secretary of State shall incorporate
4 recommendations related to data collection from the BIPOC business
5 development project created in this section.

6 Sec. 13. ENTREPRENEURS' SEED CAPITAL FUND

7 (a) Entrepreneurs' Seed Capital Fund. The Entrepreneurs' Seed Capital
8 Fund, created by the Vermont Economic Development Authority pursuant to
9 10 V.S.A. § 291, is a \$5.1 million revolving "evergreen" capital fund in
10 operation since 2010 serving Vermont's entrepreneurs and early-stage
11 technology-enabled companies for job growth, income potential, and wealth
12 creation. Since inception, the Fund's portfolio companies have now raised in
13 excess of \$182 million. The Fund is professionally managed by the Vermont
14 Center for Emerging Technologies (VCET).

15 (b) Appropriation. The General Assembly has appropriated the amount of
16 \$900,000.00 is appropriated from the General Fund to the Entrepreneurs' Seed
17 Capital Fund in Sec. G.302(b)(2) of H.439 to provide risk stage seed capital to
18 Vermont businesses that have experienced economic disruption either through
19 reduced business, new business formation, or through an unmanageable
20 increase in new business due to the COVID-19 crisis.

1 (c) Fast Capital Investment Program; categories. Notwithstanding any
2 provision of 10 V.S.A. § 290 to the contrary, the Fund shall invest in
3 businesses consistent with the following:

4 (1) The Fund shall invest in rapid seed and early growth stage
5 employers that have a viable plan for recovery and growth.

6 (2) The Fund shall make expedited investments using simplified
7 investment terms and instruments, including stock, convertible notes,
8 forgivable loans, royalty financing, or grants with equity warrants.

9 (3) The expected range per new investment is \$20,000.00 to
10 \$100,000.00 from this appropriation.

11 (4) The Fund shall prioritize sourcing and funding on BIPOC-, veteran-,
12 and women-owned businesses.

13 (5) In continuing to serve the Vermont innovation ecosystem and
14 notwithstanding the expedited program timeline, the Fund shall pursue co-
15 investment participation from local and regional investors, including Vermont
16 venture funds, family offices, community foundations, accredited individual
17 “angel” investors, lending institutions, and other relevant sources.

18 (6) Prior to providing seed capital, the Fund shall ensure that an
19 applicant has consulted with, and has accessed any available funding from, the
20 Vermont Economic Development Authority.

1 (d) Eligibility. For-profit Vermont businesses are eligible under the Fast
2 Capital Investment Program except where other significant State appropriated
3 Coronavirus Relief Fund program resources have been directed. These
4 excluded sectors include:

5 (A) traditional in-person retail operations;

6 (B) lodging, hospitality, and real estate operations; and

7 (C) restaurants and food service operations.

8 Sec. 14. 10 V.S.A. § 291(b)(3) is amended to read:

9 (3)(A) Before the Fund makes any investments, the Fund shall have and
10 maintain a board of five advisors who shall be appointed as follows: two shall
11 be appointed by the Authority, two shall be appointed by the Fund manager,
12 and one shall be appointed jointly by the Authority and the Fund manager.

13 (B) The appointing authorities shall coordinate their appointments to
14 ensure that the Board comprises advisors with diverse professional and
15 personal backgrounds and experiences, including representation of women and
16 BIPOC identified individuals.

17 (C) The Board of Advisors shall represent solely the economic
18 interest of the State with respect to the management of the Fund and shall have
19 no civil liability for the financial performance of the Fund.

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Senator _____

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FOR THE COMMITTEE